

37 Am. Jur. 2d Fraud and Deceit § 65

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Fraud and Deceit

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IV. False Representations

B. Necessity that Representation Be of Fact; Opinions

1. In General

§ 65. Exception as to expression of opinion; what constitutes opinion, generally

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

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[Misrepresentations as to financial condition or credit of third person as actionable by one extending credit in reliance thereon, 32 A.L.R.2d 184](#)

Forms

[Am. Jur. Pleading and Practice Forms, Fraud and Deceit § 219](#) (Instruction—Expression of opinion not a representation)

The principle is fundamental that fraud cannot be predicated upon the mere expression of an opinion,¹ which is understood by the representee to be only that² or which cannot reasonably be understood to be anything else.³ This rule applies to representations in regard to matters of judgment,⁴ estimate,⁵ guess,⁶ and probability,⁷ as well as to projections and expectations.⁸ Mere exaggeration is not actionable as fraud.⁹ The person to whom such statements are made has no right to rely upon them and he or she does so at his or her peril,¹⁰ and it cannot be supposed that they influenced his or her judgment.¹¹ Additionally, expressions of opinion are insufficient to authorize a recovery for fraudulent misrepresentation because such expressions are deemed not to be material to a transaction.¹²

There are qualifications and exceptions to these general rules,¹³ each one growing out of the need of preventing the successful

perpetration of fraud.¹⁴

CUMULATIVE SUPPLEMENT

Cases:

Under New York law, for a credit rating to be actionable as a misrepresentation, a plaintiff must allege that the holder of the opinion reflected in the rating did not believe the opinion at the time that it was made. [Tolin v. Standard & Poor's Financial Services, LLC](#), 950 F. Supp. 2d 714 (S.D. N.Y. 2013).

[END OF SUPPLEMENT]

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Footnotes

- ¹ [Mutual Life Ins. Co. of New York v. Phinney](#), 178 U.S. 327, 20 S. Ct. 906, 44 L. Ed. 1088 (1900); [Catskill Development, L.L.C. v. Park Place Entertainment Corp.](#), 547 F.3d 115 (2d Cir. 2008) (applying New York law); [Ussery v. Children's Healthcare of Atlanta, Inc.](#), 289 Ga. App. 255, 656 S.E.2d 882 (2008); [American United Life Ins. Co. v. Douglas](#), 808 N.E.2d 690 (Ind. Ct. App. 2004); [Gore v. Scotland Golf, Inc.](#), 136 S.W.3d 26 (Tex. App. San Antonio 2003).
- ² [Mutual Life Ins. Co. of New York v. Phinney](#), 178 U.S. 327, 20 S. Ct. 906, 44 L. Ed. 1088 (1900).
- ³ [Finch v. McKee](#), 18 Cal. App. 2d 90, 62 P.2d 1380 (3d Dist. 1936); [Nye Odorless Incinerator Corp. v. Felton](#), 35 Del. 236, 162 A. 504 (Super. Ct. 1931); [Kennedy v. Flo-Tronics, Inc.](#), 274 Minn. 327, 143 N.W.2d 827 (1966); [Wilson v. Jones](#), 45 S.W.2d 572 (Tex. Comm'n App. 1932).
- ⁴ [Rodowicz v. Massachusetts Mut. Life Ins. Co.](#), 192 F.3d 162 (1st Cir. 1999), as amended, (Nov. 3, 1999) (applying Massachusetts law); [Grove v. Principal Mut. Life Ins. Co.](#), 14 F. Supp. 2d 1101 (S.D. Iowa 1998) (applying Iowa law); [Peterson v. Daka Intern., Inc.](#), 61 F. Supp. 2d 634 (E.D. Mich. 1999) (applying Texas law).
- ⁵ [Rodowicz v. Massachusetts Mut. Life Ins. Co.](#), 192 F.3d 162 (1st Cir. 1999), as amended, (Nov. 3, 1999) (applying Massachusetts law); [Finch v. McKee](#), 18 Cal. App. 2d 90, 62 P.2d 1380 (3d Dist. 1936); [Wilson v. Jones](#), 45 S.W.2d 572 (Tex. Comm'n App. 1932).
- ⁶ [Han v. Horwitz](#), 2 Ariz. App. 245, 407 P.2d 786 (1965) (statement by a land salesman that holes in the ground were caused by rock collectors).
Negligent misrepresentation does not occur, under Texas law, when a defendant simply makes a guess as to a future unknown event. [In re Absolute Resource Corp.](#), 76 F. Supp. 2d 723 (N.D. Tex. 1999).
- ⁷ [Razdan v. General Motors Corp.](#), 979 F. Supp. 755 (N.D. Ill. 1997), judgment aff'd, 234 F.3d 1273 (7th Cir. 2000) (applying Illinois law); [Peterson v. Daka Intern., Inc.](#), 61 F. Supp. 2d 634 (E.D. Mich. 1999) (applying Texas law).
- ⁸ §§ 84, 85.
- ⁹ [Little Caesar Enterprises, Inc. v. OPPCO, LLC](#), 219 F.3d 547, 2000 FED App. 0229P (6th Cir. 2000) (applying Michigan law).
- ¹⁰ § 252.
- ¹¹ [Sorrells v. Clifford](#), 23 Ariz. 448, 204 P. 1013 (1922); [Tate v. Colony House Builders, Inc.](#), 257 Va. 78, 508 S.E.2d 597 (1999); [Gardner v. Gardner](#), 190 Wis. 2d 216, 527 N.W.2d 701 (Ct. App. 1994).

¹² VNA Plus, Inc. v. Apria Healthcare Group, Inc., 29 F. Supp. 2d 1253 (D. Kan. 1998) (applying Missouri law).

¹³ §§ 71 to 78.

¹⁴ Nye Odorless Incinerator Corp. v. Felton, 35 Del. 236, 162 A. 504 (Super. Ct. 1931); Hogan v. McCombs Bros., 190 Iowa 650, 180 N.W. 770 (1921).

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